UNITED STATES DISTRICT COURT

| FOR THE EASTERN DISTRICT OF WISCONSIN | |
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| UNITED STATES OF AMERICA, |) |
| Plaintiff, |) Case No. 21-CR-223 |
| vs. |) Milwaukee, Wisconsin |
| VICTOR COBIAN, |) January 7, 2025 |
| Defendant. |) 9:02 a.m.)) |
| TRANSCRIPT OF SENTENCING HEARING BEFORE THE HONORABLE BRETT H LUDWIG UNITED STATES DISTRICT JUDGE APPEARANCES: | |
| For the Plaintiff UNITED STATES OF AMERICA: | United States Department of |
| | Justice By: Christopher Ladwig 517 E Wisconson Ave - Rm 530 Milwaukee, WI 53202 Ph: 414-297-4103 Fax: 414-297-1738 christopher.ladwig@usdoj.gov |
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| Proceedings recorded by computeranscript produced by computer | |

PROCEEDINGS

THE CLERK: The Court calls Case No. 21-CR-223, United States of America v. Victor Cobian. Appearances please starting with the Government.

MR. LADWIG: Christopher Ladwig for the United States. Good morning.

PROBATION AGENT: Good morning, Your Honor. Nicole Ford with Probation and Pretrial Services.

MR. STEINLE: Mr. Cobian appears in person with Attorney Michael Steinle.

THE COURT: So good morning, everyone. We are here this morning for a sentencing hearing. By way of background, the defendant was initially charged in a 25-count indictment that was filed on November 2nd of 2021, so more than three years ago.

Mr. Cobian was charged in I think 18 of the 25 counts along with seven co-defendants. The charges all relate to a conspiracy to illegally purchase and export firearms that ultimately ended up with a Mexican drug cartel.

We have had a number of proceedings over the years. Mr. Cobian entered a not guilty plea on March 7th of 2022, was released on bond. And then for the last two and-a-half years, as I said, we've had a number of status conferences and other proceedings.

Ultimately, we set a jury trial to begin September of

last year. But just before the trial on August 26th, the Government filed a plea agreement in which Mr. Cobian agreed to plead guilty to Counts 1, 14 and 15 of the indictment. The Government has agreed to dismiss the remaining counts, Counts 2, 10 through 13 and 16 through 25 at sentencing.

The plea agreement was a Federal Criminal Procedure 11(c)(1)(C) Agreement under which the parties agreed to recommend a term of 42 months in prison followed by three years on supervised release as the appropriate sentence for Mr. Cobian for these three offenses.

We had a change of plea hearing on September 4th.

Mr. Cobian entered and the Court accepted his guilty pleas

pursuant to the plea agreement. The Court deferred actual

approval of the plea agreement, as allowed under the rule,

pending receipt and review of the final Presentence Report.

We set sentencing for today. On December 31st, probation filed a Presentence Report and sealed sentencing recommendation. The Presentence Report included a number of letters of support from friends and relatives of Mr. Cobian. That is the status of things as far as the Court is aware. Are there any corrections or updates from the parties?

MR. LADWIG: No. Thank you.

MR. STEINLE: No, Judge. We've worked those out prior to the last -- I mean prior to this report that you have.

THE COURT: All right. So in preparation for today's

sentencing, I did go back and review the indictment, the plea agreement, the Presentence Report, sentencing recommendation, letters of support. Are there any other materials or information that I should review or be aware of before we proceed?

MR. LADWIG: No.

MR. STEINLE: No, Judge.

THE COURT: So having reviewed the Presentence Report, the Court will approve the plea agreement, including the party's binding recommendation of a sentence of 42 months imprisonment plus three years of supervised release.

We still need to go through and calculate the sentencing guidelines and follow sentencing process, but I wanted to let you know that I am approving the agreement.

According to probation, the statutory maximum sentences for the three offenses of conviction are five years imprisonment on Count 1, ten years imprisonment on Count 14, and 20 years imprisonment on Count 15 all to be followed by up to three years of supervised release.

According to the probation, the final offense level under the sentencing guidelines is 25. That's based on a base offense level of 12 for Count 1, a four-point increase given the number of firearms involved under 2K2.1(b)(1)(B), a five-point increase under 2K2.1(b)(5)(C)(iii) for engaging in firearms trafficking, a four-point increase under 2K2.1(b)(6)(A) and (B)

because the defendant possessed a firearm with knowledge it would be transported outside the United States and for using, possessing a firearm in connection with another felony offense, possessing transferring a firearm with knowledge the firearm would be used or possessed in connection with another felony offense. So that results in an adjusted offense level of 25 on Count 1.

With respect to Counts 14 and 15, probation calculates a base offense level of 26 under guideline 2M5.2(a)(1).

Pursuant to the multi-count adjustment process required under the sentencing guidelines, probation calculates another two points should be added under 3D1.4 resulting in a combined offense level of 28.

Probation then calculates a two-point decrease for acceptance of responsibility under 3E1.1(a). And in the plea agreement, the Government had agreed to a one point -- to move for another one-point deduction for timely guilty plea under 3E1.1(b). Mr. Ladwig, does the Government so move?

MR. LADWIG: Yes.

THE COURT: Motion is granted. So 28 minus three results in a final offense level of 25. Probation calculates

Mr. Cobian's Criminal History Category is Category I.

Mr. Ladwig, is the Government in agreement with the factual statements and guideline calculations in the Presentence Report?

MR. LADWIG: Yes.

THE COURT: Okay. Mr. Steinle, please confirm that you've reviewed the Presentence Report with Mr. Cobian.

MR. STEINLE: I have, Judge, several times, and we're also in agreement.

THE COURT: So the defense has no objections to the factual statements or guideline calculations in the PSR?

MR. STEINLE: That's correct.

THE COURT: The Court will then adopt the Presentence Report without objection. The Court concludes that for guideline purposes, the final offense level is 25, Criminal History Category is I. This results in a recommended sentence of 63 to 78 months in prison, one to three years of supervised release, a fine of between \$25,000 and \$250,000, and a mandatory special assessment of \$100 per count or \$300.

Any objections to any of those findings for the record?

MR. LADWIG: No. Thank you.

MR. STEINLE: No Judge.

THE COURT: All right. So let's turn then to the appropriate sentence here. I know the parties have agreed and the Court has approved a sentence of 42 months incarceration plus three years of supervised release. It would be helpful for the Court if the parties could explain their rationale for why the sentence is consistent with the requirements in the sentencing statute.

MR. LADWIG: Thank you. Your Honor, first looking at the facts of this case. The Court is well aware of the facts after several years and headed towards trial, so I won't go into great detail, but I'll highlight the points that are important to this defendant.

The defendant was not a leader in this scheme. He became involved in the firearms smuggling conspiracy when asked. He communicated independently and directly with our Mexican national, who is the organizer of the scheme, and this defendant assisted with furthering this conspiracy.

The defendant was connected to Dejan Zoric, who was sentenced in this court, who was part of the Las Vegas portion of this case. The Court is again aware of that part of the case, and the Las Vegas conspiracy was prosecuted in that district.

In the Milwaukee case, Victor Cobian, and other co-conspirators, purchased high-powered firearms with the intent of transferring those firearms to co-conspirators in Las Vegas and California, who eventually got those firearms into Mexico.

The dangers of the activity are apparent. The purchasing of high-powered firearms to get across an international border are serious, dangerous. They are dangerous not only to the smugglers themselves but law enforcement, border agents and, of course, as the Court knows, people that are in Mexico.

As to the defendant's character. He does have a criminal record that includes disorderly conduct, theft, battery, a concealed -- concealing a weapon, but those are quite dated with his last conviction being in 2011.

He had a good childhood, has a wife and a daughter, which clearly comes through the PSR that he cares about and is very concerned with. That is, obviously, to his credit. No clear mental health or drug or any kind of substance-abuse issues that appear to be a need for sentencing.

He has a very good work history. And given the many positives of his home life and work history, it is hard to understand why this criminal activity became a real option for him. It was a family affair as this Court is aware, but the defendant -- This particular defendant had little reason to get involved with this activity. Given his work history, given his family life, it was not a very good choice, and that's why I believe he pled guilty and understands the gravity of the situation and the mistake that he made.

As to public safety. The public is at risk when we have this type of activity occurring in our country and in others. Although the defendant is not a main organizer, he was involved in this activity. So to deter him and others, we believe this is an appropriate sentence even for someone who is not an organizer of this activity. A 42-month sentence is appropriate and does send the current message that this type of

conspiracy cannot be tolerated. Thank you.

THE COURT: Thank you. Mr. Steinle.

MR. STEINLE: Judge, a lot of what the Government said is I don't mean to be repetitive with regard to it, but with regard to, if you will, the Government's highlights of this case is although he was not an organizer, a leader of this organization Judge, is that we always felt as the defense is that Mr. Victor Cobian was the center, if you will, of the Government's case here.

The reality is he was dragged into it by his cousins who, obviously, cooperated against him as you know from sentencing the other people. And unfortunately out of everybody, he ends up honestly with the harshest of sentences even though, if you will, he is not a leader or organizer.

He's drawn into it basically because his cousins recruited he and his sister to get involved and buy some guns. And then obviously, he does involve himself. So he's not not accepting responsibility. He does accept responsibility. But Judge, this is a case where when we set it for trial and things that were coming out in the discovery were just not true, and I think we were able to resolve that with the Government as to what is true and what is not true as to what his cousins said about him in this given case.

In my opinion, Judge, he's been the personification of acceptance. This case, as you know, has been going on for three

years. He has not had one violation in three years, and that's what we except of people on bail. We expect that. But you and I know, we've been in this business way too long to know people screw up, and it happens quite often in these types of cases because of the type of people that we deal with in these situations.

He has not had one violation whatsoever, and I can tell the Court that even long before this case was indicted, I had many conversations with the Government for three years prior to the indictment even saying that, in fact, if and when the grand jury does indictment Mr. Cobian, that, in fact, he'll voluntarily surrender. You don't have to go out and arrest him. That did, in fact, happen, and we were able to work that out.

Not only is the three years on bail I can tell the Court going back six years that I've been dealing with this case, Judge, he's had no violations at all. And I think that that goes and proves to the Court that, in fact, although he did wrong and although he violated the law, Judge, he can be law-abiding citizen and will be a law-abiding citizen in the future, Judge.

As you can see from the indictment, Judge, itself is that his mother and father were immigrants from Mexico, very hard working, prosocial family. Unfortunately, Judge, they are from a town that the cartel runs down there. They control, the cartel. If you don't go along with the cartel in that small

town, obviously, you're run out of town, and they still own land down there. That's the problem that he had that once he bought the first gun here, Judge, he was sucked in, absolutely sucked in through the cousins themselves.

Judge, as far as his adult life, I represented him in that 2011-case. I can tell the Court that's 14 years ago, so I go back three years, six years, now 14 years. He's been a very prosocial, hard-working individual. As indicated, he's in the pipe fitters union, Judge. He's working for Northern Pipe Construction making \$50 an hour. I only say that, Judge, because again, you don't see a lot of people with his financial income and financial situations in Presentence Reports like this, but I am urging the Court not to fine him in this case, Judge, because it's just going to set him back.

You can see that he, obviously, still has a mortgage against the house, that he has debts, Judge, that have to be paid off. At the end of the day, you're going to leave, obviously, his wife and child with nothing if you continue just to take money from him when he doesn't have the income, so I'm urging the Court not to fine him, allow him, obviously, to get out with some assets and build his life back in a prosocial manner, Judge, rather than fine him.

He is going to be away from his family for a substantial amount of time. And as indicated, he is extremely, extremely close to his daughter.

So that being said, Judge, is that this is a person that doesn't need, despite the fact of the agreement, he doesn't need a lot of supervised release. He's proven that, in fact, he is a very prosocial person. I can tell the Court that everybody sitting in the Court or the Fazzari brothers that wrote to you in your letter, he surrounds himself with nothing but prosocial, stable people, and that's what his life is about. That's who his companions are at this point, Judge.

So his involvement in this case, Judge, was not sophisticated. It was stupid, plain and simple stupid, that he got sucked in by his own family in this case. I'm here to tell you, Judge, that he can conform his conduct to the requirements of the law going forward. He has the capacity to be a law-abiding citizen. He has the motivation. Clearly, he has the intelligence despite the fact that he doesn't have the high school diploma, Judge. He is a very, very smart individual that I've gotten to know over the last six years. He just needs to stay away from the negative influences, which is his own cousins in this case, and move on with his life and leave that part of the family alone.

So he's made a conscious effort, Judge, to turn his life around. He has done that. He's proven that over the last six years. I'm just asking you not to give undeserved punishment to some well-deserved punishment in this case.

I would also ask the Judge to allow voluntary

surrender. I don't think that is going to be objected to by the Government and give him at least 60 days to get his affairs in order. Thank you. I forget also a placement as closest to home as possible. I know you can't designate or they won't follow your recommendation anyway, but I think you can recommend that he be placed as close to home as possible, which I would ask for.

THE COURT: Thank you. So Mr. Cobian, we're now at the point in this case and this hearing where you have the opportunity to speak to the Court and present any information or to make any statement you'd like to make before I impose a sentence upon you. To be clear, you don't have to say anything if you don't want to. But if there's something you'd like me to hear, now is the time.

DEFENDANT: I'd like to. I'd like to apologize to the courts for something so dumb, decision I made. I'd like to apologize to my wife and my daughter who this is going to hurt. For the people that showed up, thanks for showing up. I'd like to thank my attorney for not leaving me behind in this whole case.

So my daughter is going to affect the most. I really want to apologize to her, and I want to apologize to the Government for wasting your time on me.

And then personally, I'd like to apologize to who I have known as Chris and Phil for the last six years for being a

thorn in their sides for the last six years and completely making this for what it is today. I can't do nothing but apologize to everybody. I can't change it.

THE COURT: Anything further from anyone?

MR. LADWIG: No. Thank you.

THE COURT: All right. So Mr. Cobian, the law now requires me to impose a sentence upon you for the three offenses for which you've been convicted.

In doing so, I am required to take into account certain factors that are identified in the statute, take those factors into account as a whole and to impose a just sentence, a fair sentence, one that is sufficient but not greater than necessary to accomplish certain goals.

The statute instructs me to first take into account the nature and circumstances of the offenses that you've been convicted of. And here we've got some very serious offenses, some very serious crimes that you became involved in. I don't need to dwell on this. It is hard to overstate.

You got involved in a group of people that were purchasing high-powered rifles illegally, transporting them across the United States, and then smuggling them into Mexico for use by a criminal Mexican drug cartel.

That's -- That's serious. There's no way to spin that in any other way. One of the weapons -- I'm not sure it is a weapon that you were involved with, but one of the weapons

that was -- that is tied to this conspiracy ended up in the possession of the cartel and then was seized after that cartel attempted to assassinate a Mexican government official.

Of the crimes that this Court sees, this is very close to the top. The Court appreciates that you were not the leader or organizer of this whole enterprise. Obviously, we would be looking at a much different situation if that were the case, but you did become involved directly. I appreciate the fact that you were brought into it by some relatives, but you made the decision to get involved in response to those recruitment efforts.

And you said it was dumb. Your counsel said it was stupid. I think we can all agree that that was really a bad decision, and you're going to pay the price for that. The statute also tells me to take into account the history and characteristics of you as the defendant. This is -- You present a very different profile than most defendants in my court.

The Presentence Report paints a picture of a positive childhood, two hard-working parents, pretty solid family background. I understand you lost your father to cancer a few years ago but raised it appears the right way, not to do things like this.

I always look at a defendant's educational background, and I know you left high school early. But from the rest of the

record, it's clear that you're intelligent and skilled. Your comments here today show you are articulate, a smart man.

You've got a very good work history, solid history of employment, good job which does make it surprising that you got yourself involved in this. This wasn't a situation where you needed the money and stretched to have a little extra. This is really just a really bad decision that you unnecessarily got yourself involved in a very, very serious criminal undertaking.

The Presentence Report does show a number of interactions with the criminal justice system. They are dated. A lot of the incidents appear to have happened when you were younger sort of growing up. It appears that you've aged out of most of that except for this latest, you know, bad -- this latest bad choice you made.

Often times in the Presentence Report I see a defendant with a serious addiction problem. Again, that doesn't seem to be the issue here. That doesn't even seem to be a factor, but I have to take all of that into account.

Against that background, there are lots of reasons to be optimistic for your future. You have accepted responsibility. I think your acceptance of responsibility has been sincere. Your comments here today underscore that.

You've performed well on bond. We've had no violations. Counsel reports that even in the years prior to your indictment, you were keeping your nose clean. We haven't

seen any criminal violations. That's good. Again, that gives me reason for optimism.

You've got a lot of support here. That's always good to see. By all accounts, you are a hard working, prosocial person who's made a very, very bad mistake.

So against that background, I need to impose a sentence that accomplishes four purposes. First, the sentence needs to reflect the seriousness of the offenses you've committed. It needs to promote respect for the law and provide just punishment.

This is the first purpose set forth in the sentencing statute, and I think it is the most important one. It is the reason we have criminal law. We have rules that guide ourselves in society as a community. And when you violate those rules, there have to be consequences. When you violate those rules and you're found to have violated them, the Government prosecutes you. You come before me if you're convicted. I have to sentence you and impose some consequences for breaking the law.

Here as I said, you got yourself involved in buying some extremely dangerous weapons, having them shipped across to a Mexican drug cartel. Again, I realize you're not the leader here, but this is a very serious situation you got yourself involved in.

We are all lucky and you are lucky that the guns that you were involved in didn't end up killing a border agent or a

cop or an innocent civilian. Because if we were tracing one of the guns that you were involved with to a situation like that, we'd be looking at a much different scenario here, and you'd be looking at a much longer term of incarceration. And you're lucky because nothing you did caused that not to happen. It is just luck.

The second purpose of a sentence is to afford adequate deterrence to criminal conduct. I need to impose a sentence that makes clear to you that you can't make mistakes like this. You say it was dumb. You say it was stupid. Yeah, you need to stop and think before you make decisions like this about the implications about what could happen in the long-term. And the punishment has to be sufficient so that next time somebody asks you to get involved in something, you stop and say what's -- where could this all lead?

The sentence also needs to make clear to others that they can't do things like this. And that if they do, there will be consequences.

Third purpose of a sentence is to protect the public from further crimes of the defendant. So sometimes we have defendants that come in here who have been convicted of crimes and they are in some ways incapable of controlling themselves. And unless they are locked up, they will be a danger to the community, and they can't help themselves, they can't stop themselves. I don't think that's you. I don't think that's an

issue here.

The final purpose of a sentence is to provide the defendant with needed educational or vocational training, medical care or other correctional treatment in the most effective manner. Again, I don't think you're in significant need of rehabilitation. You've shown yourself capable of being a prosocial productive member of our community. You don't have drug addiction issues, doesn't appear you have any mental health issues. You may have the opportunity to take some vocational training from the Bureau of Prisons. We can all use that so take some time and grow your mind, but I don't think this is a major factor here.

The Court is also instructed to take into account various aspects of the guidelines. You know, the guidelines recommend a higher sentence here, but the parties have agreed to a lower sentence.

The guidelines also recommend that I try to avoid unwarranted sentencing disparities. That means that we did all those calculations for the sentencing guidelines. There are other people out there who will be in a similar Criminal History Category to you, similar offense level to you, and they should be treated similar to you unless I've got a good reason to treat you differently.

I think there are reasons to treat you differently. So based on my review of the Presentence Report, the arguments

of counsel, I will impose the sentence agreed to by the parties.

42 months imprisonment on each count to run concurrently. Upon release from imprisonment, I will order Mr. Cobian placed on supervised release for a term of three years. While on supervised release, I will order him subject to the conditions recommended by probation in the Presentence Report, pages 27 through 32. Mr. Steinle, have you reviewed those with Mr. Cobian?

MR. STEINLE: I have, Judge. He has no objection to them.

THE COURT: Do you need me to read them to him on the record?

MR. STEINLE: No, you do not. We've gone through them word for word, Judge.

THE COURT: The Court will waive a fine. The guidelines recommend a fine, but I don't think one is appropriate here. I would rather Mr. Cobian complete his period of incarceration and then return to productive employment, earn money, take care of himself, his family, save money for his daughter for her future. Adding a burden of a fine in this situation I don't think would be appropriate.

I will order that Mr. Cobian pay the mandatory special assessment of \$100 per count because it is mandatory. In the end, I think the sentence is just. It is sufficient but not greater than necessary to comply with the purposes in the

sentencing statute. It again is below the guidelines, but I think it adequately accounts for the seriousness of the offenses of conviction, and it sufficiently punishes Mr. Cobian for violating the law. The remaining counts of the indictment will be dismissed as agreed to in the agreement.

Mr. Cobian, you've been convicted following a guilty plea. You have the right to appeal your conviction if you believe your guilty plea was somehow unlawful or involuntary or there was some other defect in the procedures. You have a right to appeal the sentence if you believe the sentence was imposed illegally or contrary to law.

You should know appeals are subject to strict deadlines. Any notice of appeal must be filed 14 days of the entry of judgement or within 14 days of the filing of a notice of appeal by the Government. If you ask, the clerk will prepare and file a notice of appeal for you. If you can't afford to pay the cost of an appeal or for appellate counsel, you have the right to apply for a waiver of the filing fee on appeal, and you can also ask for court-appointed counsel on appeal.

Does the Government have any objection to voluntary surrender at a time and date to be set by the Bureau of Prisons not sooner than 60 days from today?

MR. LADWIG: No.

THE COURT: We'll allow voluntary surrender subject to those conditions. I will also recommend placement in a facility

as close to the Eastern District of Wisconsin as possible. As Mr. Steinle said, the Bureau of Prisons doesn't have to do what I tell them, but I'm happy to recommend it. Anything further from anyone?

MR. LADWIG: No. Thank you.

MR. STEINLE: No, Judge. We've discussed obviously the issue of appeal and because of the plea agreement in this case, there are no appellate issues. He understands that. He does not choose at this time to appeal his case.

THE COURT: So Mr. Cobian, you've now been convicted and you've now been sentenced for three federal offenses. Those are all -- These are all the result of things you did in the past, dumb things as you said. As you also said in apologizing to everyone, you can't change that. That's true. What's done is done, but you can make better choices going forward. Control your future actions.

I'm confident that if you focus, serve this time, serve the -- take the consequences for the actions, decisions you've made in the past and focus on making better decisions in the future. If you do that, you'll be able to put all of this behind you, rejoin your family, rejoin your community and continue to be a more productive person, prosocial person.

I think you're going to do that. So good luck.

DEFENDANT: Thank you.

THE COURT: We're adjourned.

CERTIFICATE

I, SUSAN ARMBRUSTER, RPR, RMR, FCRR, Official Court Reporter for the United States District Court for the Eastern District of Wisconsin, do hereby certify that the foregoing pages are a true and accurate transcription of my original machine shorthand notes taken in the aforementioned matter to the best of my skill and ability.

Signed and Certified March 14, 2025.

/s/Susan Armbruster

Susan Armbruster

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